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SUBJECT: AMBASSADOR VISITS GREENLAND

Classified By: Ambassador Laurie S. Fulton; 1.4 (b, d)

¶1. (U) This cable contains an action request; please see paragraph 15.

¶2. (C) SUMMARY: Official Greenland warmly welcomed Ambassador Fulton on her first visit to the capital Nuuk, August 20-22, and the GOD sent a senior delegation to accompany her to Thule Air Base September 7-9. Greenland Self-Rule Premier Kleist sought agreement to conduct a five-year review of the (US-Denmark-Greenland) Joint Committee, called the Joint Committee "beneficial" but hoped for more (especially in education), enthusiastically supported the idea of a U.S. seasonal post in Nuuk, and asked for help bringing closure to the story that some plutonium may have been lost in a 1968 B-52 crash. Later, the Danish Health Minister promised the Ambassador advance summaries of upcoming research findings into possible contamination from that crash. END SUMMARY.

(U) PREMIER KUUPIK KLEIST

¶3. (C) Official Greenland warmly welcomed Ambassador Fulton's first visit August 20-22, to the capital Nuuk (pop. 16,000). Premier Kuupik Kleist hosted a meeting, a dinner and a boat-tour of the fjord. He began his meeting with the Ambassador by requesting any help the USG could give to provide "a decent closure" to the "old case" of the USAF B-52 carrying nuclear bombs that crashed off Greenland in 1968. He regretted that the issue had been revived (due to a BBC report last fall) and raised in the Danish Parliament. He sought no confrontation, but only wished to "calm and inform" his people. The Danish Institute for International Studies (DIIS) had recently issued a report ruling out any missing bomb, but leaving open at least one question, whether 1.5 kg. of plutonium could be accounted for. If it were possible to see the relevant U.S. documents without redaction, that might put the matter to rest. The Ambassador noted that a formal request would no doubt have to come through the Danish Government via the U.S.-Denmark Permanent Committee, but offered in the meantime to try to find out whether any additional information was available that could help.

¶4. (C) On September 14, Denmark's Health Minister Jakob Axel Nielsen promised the Ambassador advance summaries of two upcoming research reports relevant to the B-52 crash:

- a study in progress searching for soil and air contamination; report due in early 2010. The Minister was confident that no atmospheric contamination would be found; he said that was the only kind of contamination that could pose a health issue;
- a study that has not yet begun, that will explore

Greenlanders' health.

15. (C) Kleist was "happy" with the (US-Denmark-Greenland) Permanent Committee, but worried about "rumors" the U.S. might close Thule airbase. On the Joint Committee, he sought agreement to conduct a review now that it is five years old. The Joint Committee "has been beneficial to Greenland," especially the "very strong scientific cooperation"; "let's see what has worked and what hasn't." His priority is education: it is "the key to prosperity and development" but faces many challenges due to demographics (tiny, widely scattered settlements in a harsh environment). He said he would like to see the parties to the Joint Committee "work on budgets instead of projects." The Ambassador replied that she was keen to understand the Greenland education system and how we can help, especially by facilitating exchanges and exploiting internet-based technology. Kleist praised the concept of a U.S. seasonal post in the Greenland capital of Nuuk as a "brilliant idea" that would "facilitate everything else." He said that Greenland is becoming "the face of climate change" and would be very active at and around COP-15.

(U) FINANCE MINISTER PALLE CHRISTIANSEN

16. (C) Finance Minister Palle Christiansen described his party, the Democrats, as very pro-U.S. and keen to improve education so that Greenlanders will be open to the world, not xenophobic nationalists. A dentist by profession, Christiansen explained that his portfolio includes IT, reform, and Nordic relations. While the prospect of independence would mean Greenland had to pay its own bills, right now the biggest challenge was "avoiding bankruptcy." Ambitious plans to develop hydro-electric projects could include exports of 30 terrawatts to North America - enough to cover two percent of all U.S. electricity. The minister wanted to establish an IT college so as to provide courses from "any university in the world;" to that end, western Greenland now had fast internet thanks to a sizeable investment in a cable connection, while the east coast was still dependent on a (much slower) satellite connection. With regard to local development in Nuuk, he praised the new municipal council's emphasis on strengthening education and housing rather than big-ticket infrastructure projects. Regarding the U.S. base at Thule, he had urged the base commander to use Greenlandic companies as contractors for construction and outer security. (NOTE: Greenlandic and Danish companies already have preference for most base-related activities under the terms of the 1951 Defense Agreement and subsequent related agreements. END NOTE.)

(U) SPEAKER JOSEF MOTZFELDT

17. (C) Speaker of Parliament Josef Motzfeldt supported the idea of a U.S. seasonal post in Nuuk, and noted that Greenland may open an office in Washington to cover North America. The priorities he mentioned were building ties with youth, and making more use of tele-medicine. He mentioned an upcoming visit by an American citizen named Tony Phillippi from Minneapolis, who planned to come to Greenland September 13 with his own seaplane and fly up the west coast to Qaanaaq (north of Thule) to see how he could help develop the infrastructure.

(U) OPPOSITION LEADER ALEQA HAMMOND

18. (C) Aleqa Hammond, the first female opposition leader in Greenland and first female chair of Siumut party (which held power 1979-2009), expressed support for a U.S. seasonal post and for the Joint Committee, while making clear she wanted "more obligation, higher priority" from the U.S. With an eye to independence in 20 years, she said her party would push for the English and Danish languages to have equal standing in schools. Raising the issue of CIA flights allegedly transiting Greenland/Thule (based on a television program

from several months ago), she said it was important to be "open so there are no ghosts in the closet."

(U) MINISTER OF INDUSTRY OVE BERTHELSEN

19. (C) Minister of Industry Ove Berthelsen (the only official to speak in Greenlandic, using an interpreter) relied on three staffers (all ethnic Danes) to present briefings:

- The proposed Alcoa aluminum smelter could produce 360,000 tons per year starting in 2015-16. Two dedicated hydro-power stations would be built, over 100 kms. away. Total investment could exceed USD4 billion (i.e. double Greenland's current GDP). The project would create over a thousand new jobs and, in the construction phase, double the population of Maniitsoq (2,750; located on the west coast between Sisimiut and Nuuk). The Greenland Parliament is expected to decide in October whether to pass the Hydro-Power Concession Act. A decision on whether to take an equity stake in the Alcoa smelter project is expected in spring 2010; Alcoa prefers a 50-50 split. (NOTE: Alcoa has expressed readiness to explore a smaller Greenlandic stake, perhaps in conjunction with a third investor. END NOTE.) The final decision is expected in fall 2010; construction should take five years.

- Tourism is growing into a pillar of the economy, with about 50,000 visitors per year. Cruise-ships are the fastest growing segment. Revenue is around 40 million DKK/year, approx. one third in passenger head-tax and the rest on-shore spending. With Alaska saturated, Greenland is becoming more attractive as a destination; Greenland's focus on tourism is on quality not quantity, thus the crowds from cruise ships are seen as economically beneficial because they do not require additional infrastructure like hotels.

- Natural resources: export of ice and bottled drinking water could reach 30 to 60 million DKK in 2010. Greenland's Bureau of Minerals and Petroleum currently has joint responsibility with Denmark when it comes to licensing exploration/exploitation of natural resources, but starting in 2010 all revenue from oil, gas or minerals will go to Greenland; half that revenue will be deducted from Denmark's block grant to Greenland. (NOTE: With the Self-Governance Agreement of June 2009, the block grant was frozen at 3.4 billion Danish Kroner per year, currently about USD 667 million. END NOTE.) Over 80 exploration licenses have been granted so far this year (vice fewer than 20 in 2003). There are two producing mines at present (gold, olivine) and two more exploitation licenses have been issued (lead/zinc and molybdenum). Other possibilities include zirconium, rubies, iron, and diamonds. Environmental regulations are strict, in compliance with all Arctic Council rules. Greenland seeks to be competitive in the eyes of investors; for mineral extraction projects, it has set its take at 37 percent (Canada's is 50 percent). Oil and gas reserves are assessed by the U.S. Geological Survey at 31 billion barrels of oil equivalent, roughly half the size of the North Sea field, though some of these potential deposits are located off the icebound northeast coast and not accessible with current drilling technology. Over 130,000 sq. km. are now licensed for exploration or exploitation. Greenland is asking for a government take of 59 percent, which would leave the investor 41 percent; Alaska leaves the investor less than 10 percent).

(U) GREENLANDIC EMPLOYERS ASSOCIATION

10. (SBU) Greenlandic Employers Association Director Henrik Leth explained that his organization represents about 400 companies ranging from 800 employees to one. Its three main purposes are: services to members; lobbying; and negotiating with unions every three years. Leth had been impressed by the large turnout the previous day for a discussion of how Greenland would have to adapt to the influx of large projects such as Alcoa. He reckoned it would take 15-20 years before Greenlanders could fill most of the Alcoa jobs (NOTE: Alcoa

executives dispute this assertion. END NOTE.)). His association opposed cost-sharing by the government, arguing that Alcoa should pay its own way, but he stressed "we are not against the project." Leth was worried that COP-15 might lead to restrictions on growth of carbon dioxide emissions that would make it impossible for Greenland to develop economically (the Alcoa project alone would double Greenland's CO2). He hoped Greenland and Denmark could reach agreement before COP-15, but the GOD wanted to postpone negotiations until after the conference.

(U) INSTITUTE OF NATURAL RESOURCES

11. (U) Institute of Natural Resources Director Klaus Nygaard said the Institute's research has helped ensure that most fish stocks are now being harvested sustainably. On hunting, "we are a generation behind," but hunters are coming to recognize the importance of sustainability. Soren Rysgaard, professor at the Institute's new Climate Impact Center, stressed that scientific cooperation with Greenland is very important to understanding global climate change. Active cooperation exists with American and other scientists. Since 1994, some 3,500 parameters are being measured, and it is important to continue measuring in the same places in order to understand changes. Latest research shows the warming of the ice cap is accelerating. Some 150 scientists of the cryosphere will gather in Nuuk next week.

(U) UNIVERSITY OF GREENLAND

12. (U) University of Greenland Rector Tine Pars described tuition-free exchanges with Dartmouth and University of Montana. She pressed for more tuition-free opportunities for Greenlandic students to study in the United States. The U.S. National Science Foundation is funding a study on sexual habits in Greenland, and is considering sending an instructor to teach at the University. The University of Greenland is participating in "U Arctic," a web-based initiative of the Arctic Council. At Pars' request, the Ambassador agreed to see whether the USG can support the university's participation in an annual seminar on Inuit culture, involving U.S., Canada, Scotland and France.

(U) OTHER ENGAGEMENTS

13. (U) The Ambassador also:

- Met with Mayor Asii Chemnitz Narup who briefed on her municipality of Sermersooq, which - due to reorganization mandated by the previous Premier - is 15 times the size of Denmark and incorporates five former municipalities, three on the west coast including Nuuk, and two on the east coast. She expressed strong support for exchanges with the U.S. through visits and telecommunications.- Toured the cultural center Katuaq (headed by Julia Pars, who is Tine's sister, an artist, and board chair of Air Greenland). It has a 500-seat auditorium and screens first releases as well as putting on concerts and theater, and hosting conferences.

- Visited a class at the Greenland Business College, which offers programs lasting from one to four years including Bachelor of Commerce, has about 250 daytime students and had approx. 700 students participate in at least one course last year, of whom 90 percent completed successfully. The college gets USD4 million (80 percent of its budget) from the Greenland Home Rule Government. It has educational agreements with Aalborg Business School in Denmark and Jefferson Community and Technical College in Kentucky. It offers e-learning with Skype and will soon administer the TOEFL test (now, students have to go to Denmark to take it).

- Gave an interview to Sermitsiaq newspaper.

- Visited the 109th Air Wing of the New York Air National Guard during a layover at Greenland's commercial air hub of

Kangerlussuaq. Lt Col Matt Leclair briefed on the 109th's support to U.S. and international scientists studying the Greenland ice cap every summer, using LC-130H transport airplanes equipped with skis. Met Dorte Dahl Jensen, director of the Center for Ice and Climate at the Niels Bohr Institute, Copenhagen University, who had just returned from two months on the ice cap.

¶14. (U) The Ambassador visited Thule Air Base in northwestern Greenland September 7-9, accompanied by DATT, Air Attache, Pol-EconCouns, and a Danish delegation led by Major General Peter Kuhnelt, Chief of International Operations, Defense Command. The delegation included: Rear Admiral Henrik Kudsk, Commander, Greenland Command; Anne Dannerfjord, Senior Advisor in the Prime Minister's Office; Mikaela Engell, MFA Advisor on Greenland Affairs; and MOD staff. Col Christopher Gentry and his Team Thule arranged a program that highlighted outstanding partnership with the Danes and excellent relations with local communities. The GOD delegation made clear the importance Denmark attaches to U.S. operations at Thule. All agreed that the recent trilateral search-and-rescue exercise with Canada had shown the partnership could perform search-and-rescue using Danish ships and helicopters and the medical facility at Thule.

¶15. (C) ACTION REQUESTED: Department is requested to advise whether there is any further information that could be provided to bring closure to the B-52 issue, as per paragraph 3 above.

FULTON